The Conference Board™

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A Monthly Report from the Consumer Research Center **April 1992**

Consumer Confidence Survey™

March Results

Consumers Somewhat More Optimistic

The consumer's spirits were much improved in March. The Board's Confidence Index (1985=100) rose to 54.0, up an impressive 7 points for the month. This is the biggest increase since last year at this time, following the end of the Gulf War. However, despite this month's gain, the general level of consumer confidence is still less than reassuring. In the latest survey, people's assessment of prevailing conditions continues to be bleak but there is a marked improvement in consumers' expectations for the months ahead.

On the question of current business conditions, people continue to express a high degree of uneasiness. They are particularly concerned with the employment situation. Close to 48 percent report that jobs are "hard to get," while less than 5 percent say they are "plentiful." These figures are not very different than a month ago.

However, looking ahead to the next six months, consumers are markedly more optimistic than they were in February. In the latest probe, slightly more people believe that more jobs will become available in the months to come, fewer people believe that they will become increasingly sparse. There was also an increase in the number of people that expect business conditions to improve.

Buying plans, however, continue to be soft. In the latest survey, only 5.9 percent of all respondents indicate that they plan to buy a car in the next six months, down from 7 percent in February. Plans to purchase a home are also weaker in March. Only 3.3 percent of survey participants now indicate such plans, down from a prior 4.2 percent. Interest in securing a major appliance is indicated by 30 percent of all respondents, about the same figure as last month.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

The substantial improvement in the consumer's expectations is encouraging. This segment of the confidence survey has an impressive record of foretelling the nation's economic fortunes. Still, while the latest message from the public is better than it has been since last October, it must be assessed with considerable caution since a single month's figure is still too fragile to be a convincing sign of recovery. However, with the recent improvement in retail sales, in conjunction with increased consumer expectations about the future, there is a reasonable likelihood that we are in the initial phase of a recovery.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

								Business		Employment		Income	
	1991											1992	
All series seasonally adjusted	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb(r)*	*Mar(p)*
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	81.1	79.4	76.4	78.0	77.7	76.1	72.9	60.1	52.7	52.5	50.2	47.3	54.0
Present Situation	51.7	48.9	47.8	43.7	43.8	45.1	39.1	31.0	27.1	22.5	22.6	23.0	23.4
Expectations	100.7	99.7	95.5	100.9	100.3	96.8	95.4	79.5	69.7	72.6	68.7	63.5	74.5
Appraisal of Present Situation: Percent													
Business Conditions													
Good	11.6	11.7	11.8	10.7	12.0	12.1	11.2	9.3	9.6	7.2	6.7	7.9	8.4
Bad	34.2	35.7	37.2	38.8	37.3	37.4	39.7	40.7	48.4	46.8	50.2	48.6	48.1
Normal	54.2	52.6	51.0	50.5	50.7	50.5	49.1	50.0	42.0	46.0	43.1	43.5	43.5
Employment													
Jobs plentiful	10.4	9.4	9.8	8.7	7.8	8.6	7.2	5.5	5.1	4.3	4.9	4.4	4.2
Jobs not so plentiful	53.9	55.1	52.4	53.8	54.6	52.8	52.8	51.0	47.8	47.9	48.1	46.7	48.3
Jobs hard to get	35.7	35.5	37.8	37.5	37.6	38.6	40.0	43.5	47.1	47.8	47.0	48.9	47.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	27.7	25.2	24.4	27.7	24.4	25.3	23.0	18.9	17.0	19.1	18.4	16.8	20.7
Worse	10.6	9.4	11.3	9.6	9.5	10.2	10.8	14.0	19.3	19.0	20.3	21.4	16.7
Same	61.7	65.4	64.3	62.7	66.1	64.5	66.2	67.1	63.7	61.9	61.3	61.8	62.6
Employment													
More jobs	20.8	19.4	18.9	21.0	19.9	18.8	17.7	14.8	12.6	13.9	13.1	12.7	14.8
Fewer jobs	19.1	17.9	18.6	17.4	18.1	18.5	20.1	26.0	28.1	28.3	30.0	32.9	27.7
Same	60.1	62.7	62.5	61.6	62.0	62.7	62.2	59.2	59.3	57.8	56.9	54.4	57.5
Income													
Increase	23.3	20.7	21.3	20.0	23.0	20.6	23.6	21.3	19.3	21.5	18.3	18.4	16.8
Decrease	8.7	8.9	10.1	9.8	9.0	9.9	8.6	11.6	11.8	13.4	12.4	14.7	12.4
Same	68.0	70.4	68.8	70.2	68.0	69.5	67.8	67.1	68.9	65.1	69.3	66.9	70.8
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.6	7.7	6.9	6.2	6.4	6.5	7.4	7.5	6.6	5.9	7.0	7.0	5.9
New	3.3	4.0	3.2	3.1	4.0	3.5	3.4	3.2	2.6	3.0	2.6	3.6	2.8
Used	2.6	3.1	3.0	2.8	2.1	2.7	3.0	3.3	3.0	2.2	3.5	2.7	2.4
Uncertain	0.7	0.6	0.7	0.3	0.3	0.3	1.0	1.0	1.0	0.7	0.9	0.7	0.7
Home													
Yes	4.2	3.0	2.8	2.8	2.9	2.9	3.4	3.3	2.9	3.1	3.5	4.2	3.3
New	1.1	0.8	0.9	0.6	0.5	0.7	0.8	0.6	0.8	0.7	0.8	1.0	0.8
Lived in	2.1	1.5	1.4	1.6	2.0	1.4	1.7	1.9	1.5	1.6	1.9	2.2	1.6
Uncertain	1.0	0.7	0.5	0.6	0.4	0.5	0.9	0.8	0.6	0.8	0.8	1.0	0.9
Major appliances													
Total plans	32.5	27.8	26.9	24.7	27.9	29.5	31.6	28.0	29.4	28.6	27.4	29.9	30.1
Refrigerator	5.3	3.6	4.0	3.5	4.0	4.6	5.9	4.2	4.4	4.2	4.3	4.9	4.7
Washing machine	4.6	3.8	3.2	3.5	4.4	3.7	3.4	4.3	3.7	4.0	3.8	4.1	4.0
TV Set	8.5	6.7	7.0	5.0	6.4	7.7	7.5	6.9	7.0	7.2	6.5	6.6	7.3
Vacuum Cleaner	5.5	5.3	5.2	4.8	4.4	5.3	6.0	4.7	5.9	5.2	5.2	5.3	5.6
Range	2.9	2.7	2.7	2.8	2.9	2.4	2.8	3.1	2.7	2.7	2.4	2.7	3.0
Clothes dryer	4.0	3.8	3.2	3.4	3.2	3.4	3.1	3.2	3.0	3.6	2.9	3.9	3.6
Air conditioner	1.7	1.9	1.6	1.7	2.6	2.4	2.9	1.6	2.7	1.7	2.3	2.4	1.9
Carpet	6.8	5.9	6.7	6.3	6.7	5.6	6.7	5.2	5.6	5.1	6.7	5.7	5.7
Vacation Intended Within Six Months: Percent													
Vacation Intended		47.3		45.9		46.6		49.1		48.2		45.2	
Destination													
U.S.		41.8		40.6		40.6		42.7		42.8		38.9	
Foreign country		7.1		6.4		7.8		7.8		6.8		8.1	
Means of Travel													
Automobile		28.4		28.2		28.2		30.8		28.1		26.6	
Airplane		17.8		17.7		17.2		17.0		17.1		18.2	
Other		4.4		3.0		4.4		3.6		4.4		3.4	

(p)—preliminary (r)—revised

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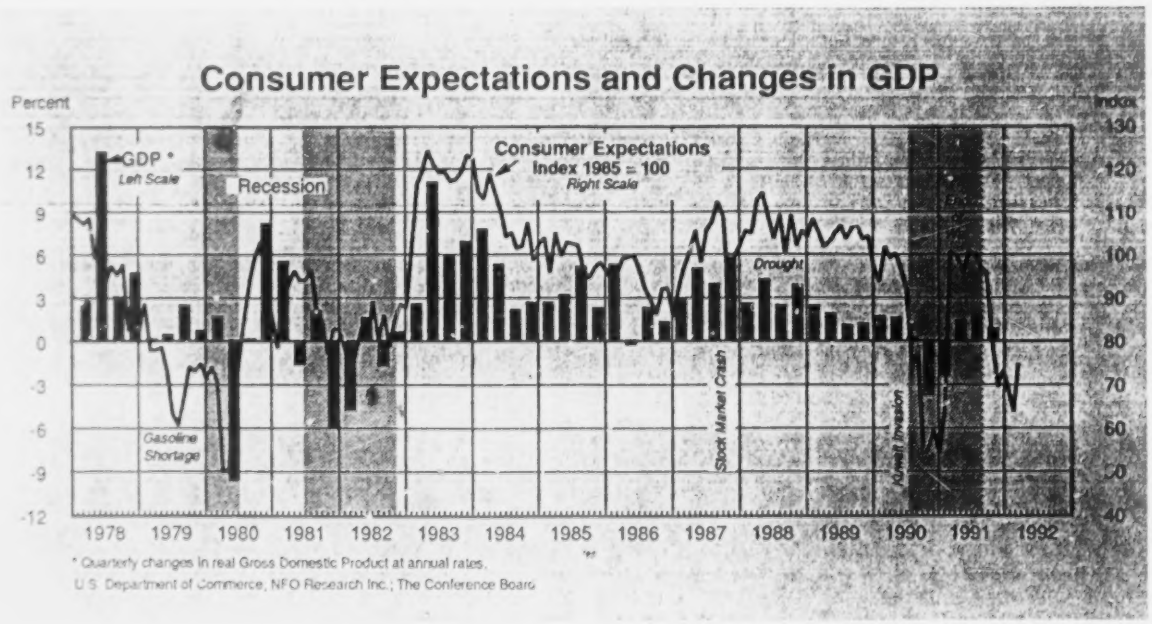
Inflation Interest Rates Stock Prices

Not Seasonally Adjusted	1991 Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	1992 Jan	Feb(r)	Mar(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.7	4.8	4.7	4.5	4.8	4.7	4.6	4.7	4.7	4.8	4.7	4.7	4.4
Interest Rates													
Higher	42.8	45.5	35.3	45.9	50.7	46.9	41.8	37.0	34.0	33.2	30.4	39.6	47.8
Same	25.3	27.9	29.2	29.6	27.9	27.5	30.2	27.3	25.2	27.7	30.5	27.1	27.7
Lower	31.9	26.6	35.5	24.5	21.4	25.6	28.0	35.7	40.8	39.1	39.1	33.3	24.5
Stock Prices													
Increase	46.5	42.8	41.7	43.7	41.8	39.3	39.5	35.8	33.9	29.9	41.9	39.7	40.7
Same	31.7	35.1	36.5	34.0	34.8	36.1	37.0	37.5	35.9	34.1	33.8	32.7	34.3
Decrease	21.7	22.1	21.8	22.3	23.4	24.6	23.5	26.7	30.2	36.0	24.3	27.6	25.0

All series seasonally adjusted	1991 Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	1992 Jan	Feb(r)	Mar(p)	3 mos. Percent Change*
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	90.6	92.9	92.7	87.7	91.0	92.4	86.7	74.0	65.0	64.1	62.8	57.7	64.1	-9.1
35-54	82.0	77.7	77.9	78.5	79.9	77.1	70.2	58.8	52.4	53.6	48.3	47.4	52.4	-10.1
55 and over	69.4	70.0	63.2	67.9	64.9	61.7	61.6	48.4	42.7	42.6	41.1	37.4	47.2	-6.0
HOUSEHOLD INCOME														
Under $15,000	60.3	62.1	57.8	53.3	58.2	51.7	53.1	45.1	33.0	37.8	33.1	33.0	41.4	-7.2
$15,000-24,999	72.1	76.5	75.4	71.0	67.9	78.4	69.3	56.2	51.4	48.4	44.1	39.9	47.9	-15.5
$25,000-34,999	85.3	79.5	83.1	81.6	80.6	80.4	73.5	57.0	53.3	52.1	50.2	48.7	56.3	-4.4
$35,000-49,999	87.9	83.4	77.9	88.7	85.9	81.4	78.4	69.5	58.2	55.1	54.9	50.2	57.4	-11.1
$50,000 and over	98.2	94.9	89.5	93.7	93.8	89.0	84.4	70.0	65.1	64.4	63.3	60.3	63.1	-6.4

*Percent Change. Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: U.S. Average, 1985 = 100	1991 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan.	Feb(r)	Mar(p)	AVERAGE: Jan., Feb., Mar. 1991	1992	Percent Change
NEW ENGLAND																
Consumer Confidence Index	53.5	52.1	49.8	51.2	47.9	57.6	51.2	37.2	33.4	30.5	27.6	32.0	47.8	40.1	35.8	-10.8
Present Situation	3.1	5.5	6.5	4.2	5.0	7.5	4.6	2.0	3.3	3.8	1.4	3.7	4.2	4.4	3.1	-29.5
Expectations	87.1	83.2	78.7	82.5	76.6	91.1	82.3	60.7	53.5	48.3	45.0	50.9	76.9	64.0	57.6	-10.0
MIDDLE ATLANTIC																
Consumer Confidence Index	72.6	66.0	65.3	65.5	60.1	61.7	61.7	47.1	37.0	39.4	44.9	42.2	42.4	55.9	43.2	-22.7
Present Situation	33.3	27.5	36.1	25.4	25.0	24.7	21.6	19.8	15.8	10.8	12.3	9.6	7.9	35.1	9.9	-71.7
Expectations	98.8	91.6	84.8	92.3	83.5	86.3	88.5	65.3	51.2	58.4	66.7	64.0	65.4	69.8	65.4	-6.3
EAST NORTH CENTRAL																
Consumer Confidence Index	80.8	77.6	72.6	77.9	83.3	72.6	72.5	67.7	54.4	55.3	52.4	50.0	54.1	64.1	52.2	-18.6
Present Situation	53.4	52.7	47.4	51.8	54.2	49.9	44.6	39.8	32.3	25.8	24.4	22.4	26.7	56.7	24.5	-56.8
Expectations	99.0	94.2	89.4	95.3	102.7	87.7	91.2	80.4	69.2	75.0	71.1	68.4	72.4	69.0	70.6	2.3
WEST NORTH CENTRAL																
Consumer Confidence Index	76.5	71.6	73.7	74.5	73.4	70.4	74.5	68.2	52.3	51.9	61.8	53.9	57.5	64.0	57.7	-9.8
Present Situation	53.6	51.5	60.7	48.3	50.3	52.6	57.9	47.8	42.8	36.3	37.3	34.2	39.5	58.5	37.0	-36.8
Expectations	91.9	85.0	82.4	92.0	88.8	82.3	85.6	81.8	58.7	62.3	78.1	67.1	69.6	67.7	71.6	5.7
SOUTH ATLANTIC																
Consumer Confidence Index	86.0	85.8	84.4	86.4	85.8	84.0	84.6	68.4	60.3	53.6	55.9	55.5	60.4	71.7	57.3	-20.1
Present Situation	44.5	55.3	47.4	51.1	47.3	50.7	53.9	34.6	29.8	22.5	21.4	21.8	23.4	55.7	22.2	-60.2
Expectations	113.7	106.2	109.1	109.9	111.5	106.2	105.0	91.0	80.6	74.4	79.0	78.0	85.1	82.4	80.7	-2.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	85.9	77.1	61.7	73.2	79.5	72.9	67.7	60.7	60.8	61.0	52.4	49.4	69.3	65.0	57.0	-12.3
Present Situation	45.8	39.7	37.5	42.6	44.7	50.8	32.0	40.3	40.6	42.5	27.6	25.1	39.3	45.1	30.7	-32.1
Expectations	112.6	102.1	77.9	93.7	102.7	87.6	91.6	74.3	74.3	73.3	68.9	65.7	89.3	78.3	74.6	-4.7
WEST SOUTH CENTRAL																
Consumer Confidence Index	84.3	75.8	73.0	76.3	67.5	65.4	73.7	60.8	60.7	49.8	54.7	51.2	49.1	70.4	51.7	-26.5
Present Situation	45.7	43.3	43.4	40.4	34.7	36.7	39.6	30.1	32.2	22.4	23.9	29.7	20.2	42.6	24.6	-42.3
Expectations	110.0	97.5	92.8	100.2	89.4	84.5	96.5	81.2	79.8	68.0	75.3	65.6	68.4	88.9	69.8	-21.5
MOUNTAIN																
Consumer Confidence Index	83.2	98.1	81.5	95.3	86.3	94.2	86.8	84.0	68.2	62.4	62.9	65.1	78.8	72.3	69.0	-4.6
Present Situation	58.9	58.8	48.9	57.9	61.7	53.3	58.4	67.0	35.3	38.0	42.7	33.1	39.0	49.5	38.3	-22.8
Expectations	99.5	124.3	103.3	120.2	102.7	121.5	105.8	95.3	90.2	78.7	76.4	86.5	105.4	87.5	89.4	2.2
PACIFIC																
Consumer Confidence Index	101.1	95.8	91.0	89.5	90.6	87.2	81.2	74.0	62.9	53.9	54.0	49.8	58.5	85.4	54.1	-36.7
Present Situation	85.8	72.0	82.4	77.5	73.4	72.9	62.6	53.8	39.4	31.4	23.0	23.0	18.2	86.1	21.4	-75.2
Expectations	111.3	111.6	96.8	97.5	102.1	96.8	93.5	87.4	78.6	68.9	74.7	67.7	85.4	85.0	75.9	-10.7

*** Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.**